

NAVY review(s) completed.

DEPARTMENT OF THE NAVY  
OFFICE OF THE SECRETARY  
WASHINGTON

SECNAV 2700.1G  
AO:C

15 AUG 1965

## SECNAV INSTRUCTION 2700.1G

From: Secretary of the Navy  
To: All Ships and Stations (less MARCORPS and all MARCORPS activities)

Subj: Penalty Mail; instructions on payment for

1. Purpose. This Instruction revises the procedures for the reporting of and payment for the mailing of matter bearing the penalty indicia.

2. Cancellation. SECNAV Instruction 2700.1G of March 1954, on the same subject, is canceled by this Instruction.

3. Use of Penalty Indicia. Official mail relating exclusively to the business of the Government of the United States may be sent under covers bearing a printed clause citing the penalty for private use instead of postage stamps. This penalty indicia should be used on all classes of mail, providing a single shipment (or several packages constituting a single shipment) does not exceed 4 pounds in weight. Official matter in packages exceeding 4 pounds in weight must have prepaid postage affixed at the fourth-class rate, or, upon arrangements with the local postmaster, may be mailed in bulk lots and reimbursement made on the basis of periodic billings from the local post office. Postage should be obtained in accordance with existing regulations.

4. Mailings Requiring Special Services. All articles of official mail requiring special services, such as registered mail, special delivery, etc., must have postage affixed in the amount of the prescribed fee for the special service, regardless of whether the article is mailed under the penalty indicia or with prepaid basic postage. The fee for each article of registered mail has been set at 40 cents. Except for registered air-mail matter, the payment of registry fees is not required on domestic mails and parcels mailed in Washington, D. C., by the Navy Department.

5. Payment for Matter Mailed Under the Penalty Indicia. The amount of money due the Post Office Department for the mailing of matter bearing the penalty indicia should be determined by the Office of the Chief of Naval Operations and the bureaus and offices of the Navy Department. Reimbursements are to be based on the amounts budgeted for and appropriated by the Congress for the payment of penalty indicia expenses. Such reimbursements should be adjusted to reflect any known changes in the number of covers mailed or any increase or decrease in the rates to be charged for the use of the indicia. To assist the addressees in the development of their budgets, the Post Office Department has advised that the cost of \$37.50 per 1000 penalty indicia items mailed will be the

OCT 10 11 02 AM '65  
COMBIBOFFER

SECNAVINST 2700.10

15 August 1955

## OFFICE OF THE SECRETARY

criterion for determining reimbursement. This cost is based on a sampling of all classes of Navy's mail and represents an average cost. Estimated requirements for penalty indicia expenses to be included in the annual budgets should be held to the necessary minimum. Obligations for penalty indicia items in past years should be considered in the development of budgetary estimates. Addressees at the departmental level should advise the Administrative Officer, Navy Department, at the beginning of each fiscal year of the appropriations and the amount of funds that may be obligated for penalty mail costs for each quarter of the fiscal year (Report PO-7).

6. Reporting Requirements

a. Procurement. Title III of the Penalty Mail Act of 1948 (39 U.S.C. 321j) requires that the Post Office Department be furnished copies of procurement documents ordering material bearing the penalty indicia (1) under contracts made by the General Services Administration, (2) from the Government Printing Office, or (3) from any other source outside of Navy. These copies should be accumulated and transmitted quarterly to the Post Office Department via the departmental organization having financial control over the appropriations cited on the procurement documents.

b. Production. Title III of the Penalty Mail Act of 1948 (39 U.S.C. 321j) also requires that the Post Office Department be furnished with (1) a report of covers printed or imprinted with the penalty indicia on Navy owned equipment and (2) a report on the number of covers printed with the indicia by meter devices. Accordingly, copies of Form NDGEN 1015, "Printing Requisition" or Forms DD 282 or 283 "Defense Printing Requisition" should be accumulated and transmitted quarterly, together with a letter reporting the number of covers printed with the indicia by meter devices, to the Post Office Department via the departmental organization having financial control over the appropriations cited on the requisitions.

c. Inventory. Title III of the Penalty Mail Act of 1948 (39 U.S.C. 321i) requires each agency to submit to the Post Office Department within 60 days after the close of the fiscal year a statement showing the number of envelopes, labels, wrappers, cards, and other articles bearing the penalty indicia on hand at the close of the fiscal year. These inventories may be estimated at the departmental level and need not be broken down by types of mailing covers. A letter reporting such inventories should be transmitted by each component of the departmental service to the Administrative Officer, Navy Department, not later than 45 days following the close of the fiscal year (Report PO-2). Legislation has been introduced to repeal this portion of the Penalty Mail Act of 1948, and, if it is enacted, addressees will be advised.

OCT 10 11 02 AM '55

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OFFICE OF THE SECRETARY

SECNAVINST 2700.1C  
15 August 19557. Quarterly Certificate of Compliance With the Penalty Mail Act of 1948

a. Regulations. Section 306 of the Penalty Mail Act of 1948 (39 U.S.C. 321n) provides: "No executive department or independent establishment of the Government shall transmit through the mail, free of postage, any book, report, periodical, bulletin, pamphlet, list, or other article or document (except official letter correspondence, including such enclosures as are reasonable related to the subject matter of the correspondence; information releases in connection with the decennial census of the United States, mail concerning the sale of Government securities, and all forms and blanks and copies of statutes, rules, regulations, and instructions and administrative orders and interpretations necessary in the administration of such departments and establishments), unless a request therefor has been previously received by such department or independent establishment; or such transmission is required by law; or such document is transmitted to inform the recipient thereof of the adoption, amendment, or interpretation of a statute, rule, regulation, or order to which he is subject. The head of each independent establishment and executive department (other than the Post Office Department) shall certify to the Postmaster General at the end of each quarter that nothing was transmitted through the mail free of postage by the independent establishment or department in violation of the provisions of this section: Provided, That nothing herein shall be construed to prohibit the mailing free of postage of lists of agricultural bulletins, lists of public documents which are offered for sale by the Superintendent of Public Documents, or of announcements of publications of maps, atlases, statistical, and other reports offered for sale by the Federal Power Commission as authorized by Section 825K of Title 16: Provided further, That this prohibition shall not apply to the transmission of such books, reports, periodicals, bulletins, pamphlets, lists, articles, or documents to educational institutions or public libraries, or to Federal, State, or other public authorities."

b. Action Required. The Administrative Officer, Navy Department, shall prepare the required certificate to comply with the cited statute. In the event of any violation, addressees shall submit immediately, in letter form, a Report of Violation of the Penalty Mail Act of 1948 (Report EXOS 2700-1) to the Administrative Officer, Navy Department.

3

OCT 10 11 02 AM '55

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SECNAVINST 2700.1C  
15 August 1955

OFFICE OF THE SECRETARY

Field activities shall submit this report to the Administrative Officer,  
Navy Department, via the cognizant component of the Navy Department.

*C. S. Thomas*

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4

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